THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM). (a) Fiscal deficit of the Central Government is dependent on the levels of tax and non-tax revenue, non-debt capital receipts and the level of total expenditure. Any unbudgeted reduction in taxes and duties is likely to adversely affect revenue collections budgeted for the year. The advalorem nature of duties may not fully offset the loss of revenue, in case of duty reductions to check inflation.

(b) The Government has been taking appropriate steps to check loss of revenue through improvements in compliance and expenditure management. The Government is committed to reduce the level of fiscal deficit to 3 per cent of Gross Domestic Product within a definite time frame as mandated by the Fiscal Responsibility and Budget Management Act, 2003.

(c) The International Monetary Fund (IMF) has been sharing its concern about the unsustainability of high fiscal deficits in India in its annual reviews. In its September, 2004 issue of World Economic Outlook, the IMF has emphasised that expenditure increases should be contingent on progress on the revenue front.

Cess on income tax from religious institutions

†492. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any proposal to impose cess on the income from various religious institutions including temples to mobilize resources for poverty alleviation programmes;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Madam.

(b) and (c) In view of (a) above, does not arise.

FDI in pension sector

493. SHRI B.J. PANDA: Will the Minister of FINANCE be please to state:

(a) whether it is a fact that Government are considering 100 per cent FDI in pension sector;

† Original notice of the question was received in Hindi.